

RECORDATION NO. 27847-A FILED

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SURFACE TRANSPORTATION BOARD

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January 31, 2012

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are four (4) copies of a First Notification of Transfer of Leasehold Interest to an Affiliate, dated as of December 31, 2011, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease of Railroad Equipment No. 1 previously filed with the Board under Recordation Number 27847.

The names and addresses of the parties to the enclosed document are:

Merging Entity/
Original Lessee:

Duluth, Missabe and Iron Range Railway Company
c/o Canadian National Railway Company
935 de La Gauchetiere Street West
Montreal, Quebec
Canada H3B 2M9

Surviving Entity/
Successor Lessee:

DMIR Holdings Corp
1209 N Orange St
Wilmington, DE 19801

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Section of Administration
January 31, 2012
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Guarantor: Canadian National Railway Company
935 de la Gauchetiere Street West
Montreal, Quebec
Canada H3W 2N1

A description of the railroad equipment covered by the enclosed document
is

232 gondola railcars: DMIR 70000 - DMIR 70231.

A short summary of the document to appear in the index is.

First Notification of Transfer of Leasehold Interest to an Affiliate

Also enclosed is a check in the amount of \$41.00 payable to the order of
the Surface Transportation Board covering the required recordation fee

Kindly return stamped copies of the enclosed document to the
undersigned.

Very truly yours,



Edward M Luria

EML/sem
Enclosures

**FIRST NOTIFICATION OF TRANSFER OF
LEASEHOLD INTEREST TO AN AFFILIATE**

JAN 31 '12

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SURFACE TRANSPORTATION BOARD

THIS FIRST NOTIFICATION OF TRANSFER OF LEASEHOLD INTEREST TO AN AFFILIATE is made as of May 31, 2011 by **Duluth, Missabe and Iron Range Railway Company**, a Delaware corporation and a 'railroad' within the meaning of *Title 11 of the United States Code* ("Merging Entity"), **DMIR Holdings Corp.**, a Delaware corporation ("Surviving Entity") and **Canadian National Railway Company**, a Canadian corporation and indirect parent of each of the aforementioned corporations ("Guarantor").

WHEREAS, **Banc of America Leasing & Capital, LLC** ("Lessor") and Merging Entity as lessee entered into a Lease of Railroad Equipment No. 1 dated as of March 1, 2009, as amended or supplemented, (the "Lease") covering the two-hundred thirty-two (232) 87-ton 1,150 cu. ft. bottom dump gondola cars built by National Steel Car Limited in 2009 marked **DMIR 70000 to 70231 inclusive** (the "Units");

WHEREAS, to evidence the Lease, a Memorandum of Lease of Railroad Equipment No. 1 dated as of March 1, 2009 was (i) filed at the Surface Transportation Board on March 24, 2009 at 1:00 P.M. with primary recordation number 27847 and (ii) deposited at the Registrar General of Canada on March 25, 2009 at 9:26 A.M.;

WHEREAS, Guarantor guaranteed the obligations of Merging Entity under the Lease, for the benefit of Lessor, pursuant to a Guaranty No. 1 dated as of March 1, 2009 (the "Guaranty"); and

WHEREAS, effective the date hereof, Merging Entity was merged with, and into, Surviving Entity which will continue under the name **Duluth, Missabe and Iron Range Railway Company** and operate as a "railroad."

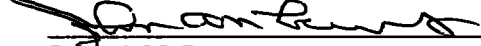
NOW THEREFORE, for good and valuable consideration,:

- 1) Merging Entity and Surviving Entity represent, warrant and certify to Lessor that (i) the transfer of the leasehold interest under the Lease and in the Units has been consummated in accordance and compliance with Section 13 thereof and (ii) henceforth Surviving Entity, in lieu of Merging Entity, is the 'Lessee' for all purposes of the Lease; and
- 2) Gurantor represents, warrants and certifies to Lessor that the Guaranty of the obligations of Lessee under the Lease remains in full force and effect, enforceable against the Guarantor in accordance with its terms.


This instrument shall be governed by and construed in accordance with the laws of the State of New York without giving effect to any conflict of law or choice of law principles.

IN WITNESS WHEREOF, each of the undersigned has caused this First Notification of Transfer of Leasehold Interest to an Affiliate to be executed as of the date first above written by its officer thereunto duly authorized and each such officer declares pursuant to 28 U.S.C. §1746 under penalty of perjury that the foregoing is a true and correct document.

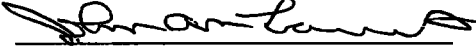
DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY,
as Merging Entity and original Lessee

By: 
Name: John A.N. Lamont
Title: Sr. Manager, Asset Finance

DMIR HOLDINGS CORP.,
as Surviving Entity and successor Lessee

By: 
Name: John A.N. Lamont
Title: Sr. Manager, Asset Finance

CANADIAN NATIONAL RAILWAY COMPANY,
as Guarantor

By: 
Name: John A.N. Lamont
Title: Sr. Manager, Asset Finance